

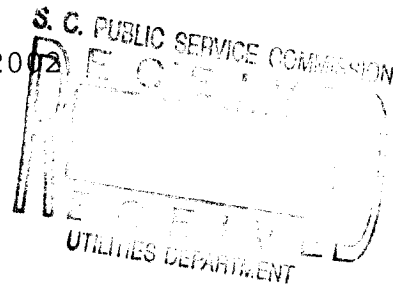


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June 28, 2002



The Honorable Gary E. Walsh
Executive Director
Public Service Commission of SC
Post Office Drawer 11649
Columbia, South Carolina 29211

Re: Application of BellSouth Telecommunications, Inc. to
Provide In-Region InterLATA Services Pursuant to
Section 271 of the Telecommunications Act of 1996
Docket No. 2001-209-C

Dear Mr. Walsh:

Enclosed please find for filing an original and 15 copies
of BellSouth's Response to Southeastern Competitive Carriers
Association's Petition for Reconsideration or Clarification of
Order No. 2002-396. By copy of this letter, I am serving all
parties of record with a copy of this pleading as indicated on
the attached Certificate of Service.

Sincerely,

Caroline N. Watson

CNW/nml
Enclosure
cc: All Parties of Record

FILED
6/28/02

ACCEPTED
Legal 6/28/02 JMB

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

In Re: Application of BellSouth)
Telecommunications, Inc. To Provide)
In-Region InterLATA Services Pursuant) DOCKET NO.
Section 271 of the Telecommunications) 2001-209-C
Act of 1996)

BELLSOUTH TELECOMMUNICATIONS, INC.'S RESPONSE TO
SOUTHEASTERN COMPETITIVE CARRIERS ASSOCIATION'S PETITION
FOR RECONSIDERATION OR CLARIFICATION OF ORDER NO. 2002-396

BellSouth Telecommunications, Inc. ("BellSouth")
hereby files its Response to the Petition for
Reconsideration or Clarification of Order No. 2002-396 of
Southeastern Competitive Carriers Association ("SECCA") and
states as follows:

SECCA complains about two things in its Petition: (1)
In addressing the issue of CCP violations raised by
BellSouth's ... 396 does not
accurately re ... sion to deny
BellSouth's r ... (2) The Order's
requirement t ... llSouth meet to
address the c ... g other parties
violates cer ... Administrative
Procedures Act ... ese concerns as
follows:

*Legal has
retained (2)
copies*

S. C. PUBLIC SERVICE COMMISSION
RECEIVED
JUL 1 2002
UTILITIES DEPARTMENT

First, in response to SECCA's assertion that the Order is contrary to the Motion, BellSouth disagrees that the directive to study the issue and report back to the Commission any resolution is inconsistent with the denial of BellSouth's motion for reconsideration. Although the Commission refused to change its decision at this time, the language in the Order simply reflects the caveat that the Commission will revisit the issue.

The directive that the parties shall report back "prior to the FCC acting on BellSouth's application for South Carolina" is simply an acknowledgement that it will reconsider the issue of Tier 1 and Tier 2 penalties for CCP violations based upon a proposal being submitted. Should the Commission wish to make its decision crystal clear for the benefit of SECCA, it may insert the words, "The Motion by BellSouth is denied but..." before the sentence "[t]he issue should receive further study."

Second, SECCA's opinion that the Order's direction to the Commission Staff and BellSouth to enter into discussion regarding this issue violates Section 1-23-360, SC Code Ann. (1986) is simply incorrect.

The Telecommunications Act of 1996 did not require a penalty plan in order to be allowed into the long distance market by the FCC. To allay fears of backsliding on its

part, BellSouth voluntarily introduced its plan. The Commission has determined that the penalty plan is voluntary on the part of BellSouth and BellSouth has the right to modify the plan. In the ITC DeltaCom arbitration case, Docket No. 1999-690, dated October 4, 1999, the Commission ruled: "This Commission has previously found in this order as well as in a previous arbitration order (See Order No. 97-189, Docket No. 96-358-C, March 10, 1997, at 10) that it lacks jurisdiction to impose penalties."

SECCA's position, that the ex parte law in South Carolina restricts communications about the development of a voluntary penalty plan prior to BellSouth submitting it to the Commission for any action, is simply not the law in South Carolina.

Further, the ex parte rule that SECCA claims has been violated by the Commission's Order does not apply since the ex parte rules prohibit certain communications only in "contested cases." SC Code Section 1-23-360. Although all cases with opposing parties are contentious, a "contested" case is a legal term that is specifically defined in Section 1-23-310(2). In order to be a contested case, there are specific requirements that are not present in this case:

- (1) a party must have a right to appeal the decision. Section 1-23-380. Clearly, no party believes there is a right to appeal the Commission's decision in this matter.
- (2) there must be a hearing required by law. We certainly believe the Commission took the appropriate action to conduct a hearing to allow all parties an opportunity to participate and be heard, but there simply is no such legal requirement under federal or state law. Section 1-23-310(3).
- (3) the case must involve a determination in which the legal rights, duties, or privileges of a party is required by law to be determined after hearing. Section 1-23-310(3). The sole legal directive in this matter is that, if a company applies to the FCC requesting the FCC's approval to enter the long distance market, the FCC, in rendering its decision, must "consult with the State Commissions." Federal Telecommunications Act of 1996, Section 271(d)(B)(2). The requirement cited above is simply not met.

Since these legal requirements are not present, the case does not meet the definition of "contested" case. Therefore, the prohibition on ex parte requirements cited by SECCA contained in Section 1-23-360 does not apply.

There are numerous additional legal reasons that SECCA's argument is groundless. The most fundamental reason is that, in order for the Section's restrictions on ex parte communications to apply, there must be an issue before the Commission that requires rendering a decision. In this circumstance, the Commission has made its decision

and refused to reconsider it, as SECCA has represented. That decision is final. What the Commission has directed BellSouth to do is to study the issue further and bring this issue back before the Commission at a specified time. At that point in time, the Commission will consider the matter.

For all the reasons cited above, there is no improper ex parte communication denoted in the Commission's Order. It is BellSouth's understanding that the Commission's Order directed the Commission Staff to discuss the matter with BellSouth and, if BellSouth failed to submit a proposal, the Commission Staff would have been obligated to bring the matter back before the Commission.

BellSouth understands the directive by the Commission and submits that it will file a proposal for the CCP penalty plan as directed by the Commission within the specified timeframe.

For these reasons, BellSouth respectfully requests that the Petition for Reconsideration or Clarification filed by SECCA be denied, or in the alternative, changed as noted herein.

This 28th day of June, 2002.

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COUNTY OF RICHLAND)

The undersigned, Nyla M. Laney, hereby certifies that she is employed by the Legal Department for BellSouth Telecommunications, Inc. ("BellSouth") and that she has caused BellSouth Telecommunications, Inc.'s Response to Southeastern Competitive Carriers Association's Petition for Reconsideration or Clarification of Order No. 2002-396 in Docket No. 2001-209-C to be served by the method indicated below upon the following this June 28, 2002:

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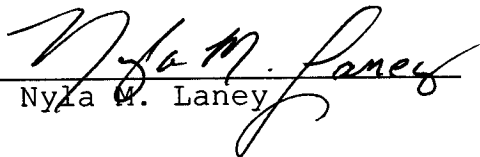
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